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MICHAEL J. PAHUTSKI
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VIA OVERNIGHT MAIL

August 6, 2004

CINERGY

Ms. Elizabeth O'Donnell
Executive Director,
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

AUG 09 2004

**PUBLIC SERVICE
COMMISSION**

Re: Case No. 2004-00253

Dear Ms. O'Donnell:

Enclosed please find an original and seven (7) copies, bound and tabbed, of The Union Light, Heat and Power Company's Responses to the Initial Requests for Information from the Attorney General for filing with the Commission. In addition, I have enclosed an unbound copy and request that you file-stamp and return it to me in the enclosed self-addressed envelope for our file.

Should you have any questions, please do not hesitate to contact me at (513) 287-3075.

Sincerely,


Michael J. Pahutski

MJP/mak

Enclosures

cc: Elizabeth Blackford
Assistant Kentucky Attorney General
Kentucky Attorney General's Office

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AUG 0 9 2004

PUBLIC SERVICE
COMMISSION

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-001

REQUEST:

1. Under the Net Monthly Billing section of Rider UR, a 50% reduction in demand costs is mentioned, but there is no limit on the time, such as the 12 month limit contained in the Net Monthly Billing section of Rider ED. Attachment B indicates Rider UR is for 12 months only. Is this the case? If so, why is the time limit not included in the New Monthly Billing section of Rider UR?

RESPONSE:

The time period for the billing reduction is limited to 12 months. Unfortunately, in the final editing of the document it was inadvertently removed from this section. However, the second paragraph of the Terms and Conditions section references the 12 month incentive period.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-002

REQUEST:

2. Are any customers now known to be ready to apply for Rider BR? If so, please supply the number of customers ready to apply and the KW demand for each customer.

RESPONSE:

ULH&P knows of no customers who are ready to apply for Rider BR.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-003

REQUEST:

3. Are any customers now known to be ready to apply for Rider UR? If so, please supply the number of customers ready to apply and the KW demand for each customer.

RESPONSE:

ULH&P knows of no customers ready to apply for Rider UR.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-004

REQUEST:

4. Are any customers now known to be ready to apply for Rider ED? If so, please supply the number of customers ready to apply and the KW demand for each customer.

RESPONSE:

ULH&P knows of no customers ready to apply for Rider ED.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-005

REQUEST:

5. Has ULH&P discussed the proposed BR tariff with any potential customer that would be served under this tariff? If so, please supply the number of customers with whom this tariff has been discussed and the KW demand for each customer.

RESPONSE:

ULH&P has not discussed Rider BR with any potential customer which could be served under this tariff schedule.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-006

REQUEST:

6. Has ULH&P discussed the proposed UR tariff with any potential customer that would be served under this tariff? If so, please supply the number of customers with whom this tariff has been discussed and the KW demand for each customer.

RESPONSE:

ULH&P has not discussed proposed Rider UR with any potential customer that would be served under this tariff schedule.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-007

REQUEST:

7. Has ULH&P discussed the proposed ED tariff with any potential customer that would be served under this tariff? If so, please supply the number of customers with whom this tariff has been discussed and the KW demand for each customer.

RESPONSE:

ULH&P has not discussed its proposed Rider ED with any potential customer that would be served under this tariff schedule.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-008

REQUEST:

8. Please provide a projection of the reduction of expected revenues for each of the next 10 years as a result of the three proposed tariffs.

RESPONSE:

ULH&P has not developed such a projection as it is not able to project the number of customers who might be interested in taking service under the riders and who would also be eligible. Similarly, ULH&P is not able to project the number of kilowatts and kilowatt-hours that such customers would use and thus the revenues they would produce.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-009

REQUEST:

9. Please provide a projection of the expected additional load that will be added to the ULH&P system as a result of the proposed tariffs, as opposed to not adding these tariffs.

RESPONSE:

ULH&P is not able to provide a projection of the additional load that would result from the implementation of these riders. Also, see response to KyAG-DR-008.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-010

REQUEST:

10. Attachment B states that the ED Rider would not in itself be the deciding factor to locate in the service territory, but when coupled with other incentives, "this sort of incentive can be quite effective." Please provide all analysis or studies that back up this statement.

RESPONSE:

ULH&P has no analyses or studies which support its contention that the addition of an energy cost incentive can be effective. However, based on the experiences of Cinergy's Economic Development department, the Company believes that any incentive can be helpful in helping to attract business to an area. The Company also believes that, in general, no one incentive is responsible for a new business locating in an area or expanding. Such decisions are typically made after weighing all of the pros and cons, including incentives, when businesses decide where to locate.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-011

REQUEST:

11. Attachment B states ULH&P hopes to "tip the scale" with the UR Rider. Please provide all analysis or studies that back up this statement.

RESPONSE:

ULH&P has no analyses or studies to support its contention that an energy discount might "tip the scale" for a developer in rehabbing or reusing a building which has been vacant for an extended period of time and which is adding nothing to the community in which it exists. By providing the incentive of a 50 percent reduction in the potential customer's electric bill, a developer might be more inclined to invest in the development of an existing vacant building and, in doing so, add to the property tax rolls and, quite likely, the income and personal taxes collected by the state and local community.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-012

REQUEST:

12. Please provide all analysis, calculations, assumptions and workpapers used to design the proposed Rider BR.

RESPONSE:

Rider BR was initially developed approximately eight (8) years ago by The Cincinnati Gas & Electric Company. Any analysis, calculations, assumptions and workpapers used to design Rider BR no longer exists.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-013

REQUEST:

13. Please provide all analysis, calculations, assumptions and workpapers used to design the proposed Rider UR.

RESPONSE:

ULH&P has no analyses or workpapers to support the design of Rider UR. The design of this rider was based on a very similar rider currently offered by Duke Power Co.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-014

REQUEST:

14. Please provide all analysis, calculations, assumptions and workpapers used to design the proposed Rider ED.

RESPONSE:

ULH&P performed no analyses or calculations in the development of Rider ED. Like Rider UR, the design for Rider ED was based on a similar tariff rider offered by Duke Power Co.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-015

REQUEST:

15. Please provide any analysis of the projected number of customers that are expected to apply for one of these three proposed riders that will be "Free Riders," free riders being defined as those customers that would have located in the service territory or would have expanded even without the incentives proposed in these three tariffs.

RESPONSE:

The Company has performed no analyses of the potential number of free riders on its proposed tariff riders. However, Rider ED's Applicability paragraph includes language which permits the Company to reject a potential applicant if it feels that the rider is not an inducement for the customer to locate or expand in ULH&P service territory.

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-016

REQUEST:

16. Please provide copies of the tariffs under which customers who would/could qualify for service under each of the proposed tariffs would otherwise receive service.

RESPONSE:

Please see the attached tariff schedules for Rate DS, Rate DT, Rate DP, and Rate TT. Please note, however, that the customers taking service under the provisions of the proposed riders would also be subject to the charges and provisions of the attached rate schedules. The riders augment and modify the standard tariffs attached and do not stand on their own.

WITNESS RESPONSIBLE: Don Rottinghaus

The Union Light, Heat and Power Company
 107 Brent Spence Square
 Covington, Kentucky 41011

BILL NOS. 7DC(7CA)* Secondary Mtrd.
 7DD(7CB)* Primary Mtrd.
 7DE(7CC) (Churches)

RATE DS

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at the standard secondary system voltage and the Company determines that facilities of adequate capacity are available adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, the fuel cost adjustment charges and the DSM charge, shall not exceed 19.033 cents per kilowatt-hour (kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge per month

Single Phase Service	\$ 5.00	per month
Three Phase Service	\$10.00	per month

(b) Demand Charge

First 15 kilowatts	\$ 0.00	per kW
Additional kilowatts	\$ 6.53	per kW

(c) Energy Charge

First 6,000 kWh	6.896¢	per kWh
Next 300 kWh/kW	4.210¢	per kWh
Additional kWh	3.497¢	per kWh

2. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.

Issued by authority of an Order of the Kentucky Public Service Commission, dated December 1, 1995 in Case No. 95-312.

Issued: December 7, 1998

Effective: June 29, 2000

Issued by T. L. Turner, President

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky.P.S.C. Electric No. 4
Eighth Revised Sheet No. 40
Canceling and Superseding
Seventh Revised Sheet No. 40
Page 2 of 4

3. DSM Charge

All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential distribution service.

The minimum charge shall be the Customer Charge shown above.

For customers receiving service under the provisions of former Rate C, Optional Rate for Churches, as of June 25, 1981, the maximum monthly rate per kilowatt-hour shall not exceed 11.295 cents per kilowatt-hour plus the applicable fuel cost adjustment and DSM Charges.

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than the higher of the following:

- a) 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months; or
- b) One (1) kilowatt for single phase secondary voltage service and five (5) kilowatts for three phase secondary voltage service.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

Issued by authority of an Order of the Kentucky Public Service Commission, dated December 1, 1995 in Case No. 95-312.

Issued: December 7, 1998

Effective: June 29, 2000

Issued by T. L. Turner, President

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

a. Continuous measurement

- the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or

b. Testing

- the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by a minimum notice of either the customer or the Company as prescribed by the Company's Service Regulations.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

Issued by authority of an Order of the Kentucky Public Service Commission, dated December 1, 1995 in Case No. 95-312.

Issued: December 7, 1998

Effective: June 29, 2000

Issued by T. L. Turner, President

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky.P.S.C. Electric No. 4
Eighth Revised Sheet No. 40
Canceling and Superseding
Seventh Revised Sheet No. 40
Page 4 of 4

TERMS AND CONDITIONS (Contd.)

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated December 1, 1995 in Case No. 95-312.

Issued: December 7, 1998

Effective: June 29, 2000

Issued by T. L. Turner, President

The Union Light, Heat and Power Company
 107 Brent Spence Square
 Covington, Kentucky 41011

RATE DT

TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for customers with an average monthly demand of 500 kilowatts or greater where the Company specifies service at a nominal distribution system voltage of 34,500 volts or lower, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt of demand abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge

Single Phase	\$ 5.00 per month
Three Phase	\$ 10.00 per month
Primary Voltage Service	\$100.00 per month

(b) Demand Charge

Summer	
On Peak kW	\$ 9.71 per kW
Off Peak kW	\$ 1.00 per kW
Winter	
On Peak kW	\$ 8.03 per kW
Off Peak kW	\$ 1.00 per kW

(c) Energy Charge

All kWh	3.519¢ per kWh
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2. Fuel Adjustment Cost

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.

3. DSM Charge

All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential distribution service.

The minimum charge shall be the Customer Charge, as stated above.

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Issued: December 7, 1998

Effective: June 29, 2000

Issued by J. L. Turner, President

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

NET MONTHLY BILL (Contd.)

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

For purposes of administration of the above Base Rate charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - All hours Monday through Friday not included above plus all day Saturday and Sunday, as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, kilowatt hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

If the customer furnishes primary voltage transformers and appurtenances, in accordance with the Company's specified design and maintenance criteria, the Demand Charge, as stated above, shall be reduced as follows:

First 1,000 kW of On Peak billing demand at \$0.50 per kW.

Additional kW of On Peak billing demand at \$0.35 per kW.

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

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Issued: December 7, 1998

Effective: June 29, 2000

Issued by J. L. Turner, President

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a period of three (3) years for secondary voltage service and five (5) years for primary voltage service terminable thereafter by a minimum notice of either the customer or the Company as follows:

- (1) For secondary voltage service customers, as prescribed by the Company's Service Regulations.
- (2) For primary voltage service customers with a most recent twelve month average demand of less than 10,000 kVA or greater than 10,000 kVA, written notice of thirty (30) days or twelve (12) months respectively, after receipt of the written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of the administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's demand is less than 500 kilowatts and the Company expects the customer's demand to remain below 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DS, Service at Secondary Distribution Voltage or Rate DP, Service at Primary Distribution Voltage shall be applicable initiating with the June revenue month billing and shall continue until the term of service of that rate is fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly greater than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated December 1, 1995 in Case No. 95-312.

Issued: December 7, 1998

Effective: June 29, 2000

Issued by J. L. Turner, President

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky.P.S.C. Electric No. 4
Third Revised Sheet No. 45
Canceling and Superseding
Second Sheet No. 45
Page 1 of 3

BILL NOS. 12.5 kV
7DG(7CW)* Sec. Metered
7DH(7CX)* Pri. Metered
34.5 kV
7DW(7CD)* Sec. Metered
7DX(7CE)* Pri. Metered

RATE DP

SERVICE AT PRIMARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at nominal primary distribution system voltages of 12,500 volts or 34,500 volts, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, electric fuel component charges and DSM Charge shall not exceed 19.033 cents per kilowatt-hour (Kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

- | | |
|---|--------------------|
| (a) Customer Charge per month | |
| Primary Voltage Service (12.5 or 34.5 kV) | \$100.00 per month |
| (b) Demand Charge | |
| All kilowatts | \$ 6.08 per kW |
| (c) Energy Charge | |
| First 300 kWh/kW | 4.252¢ per kWh |
| Additional kWh | 3.510¢ per kWh |

2. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.

Issued by authority of an Order of the Kentucky Public Service Commission, dated December 1, 1995 in Case No. 95-312.

Issued: December 7, 1998

Issued by J. L. Turner, President

Effective: June 29, 2000

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

NET MONTHLY BILL (Contd.)**3. DSM Charge**

All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential service.

The minimum charge shall be the Customer Charge shown above.

PRIMARY VOLTAGE METERING DISCOUNT

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

a. Continuous measurement

- the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or

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Issued: December 7, 1998

Issued by J. L. Turner, President

Effective: June 29, 2000

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107 Brent Spence Square
Covington, Kentucky 41011

POWR FACTOR ADJUSTMENT (Contd.)**b. Testing**

- the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter as prescribed by the Company's Service Regulations.

- (1) For customers with a most recent twelve month average demand of less than 10,000 kVA, thirty days written notice.
- (2) For customers with a most recent twelve month average demand of 10,000 kVA or greater, written notice twelve months in advance of the desired termination date.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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BILL NOS.

<u>Summer</u>	<u>Winter</u>
H1-H5	H2-H6 - Sec. Mtr'd.
NP-NT**	NQ-NV**-Sec. Mtr'd.
H3-H7	H4-H8- Pri. Mtr'd.
NR-NX**	NS-NY**-Pri. Mtr'd.
** DSM OPT. OUT	

RATE TT

TIME-OF-DAY RATE FOR SERVICE AT TRANSMISSION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at a nominal transmission system voltage of 69,000 volts or higher, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and the customer furnishes and maintains all transformation equipment and appurtenances necessary to utilize the service.

Service is applicable for ultimate use by the customer and is not applicable for standby, supplemental, emergency or resale service.

TYPE OF SERVICE

Alternating current 60 Hz, three phase at Company's standard transmission voltage of 69,000 volts or higher.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatts of demand are abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate	
(a) Customer Charge per month	\$500.00 per month
(b) Demand Charge	
Summer	
On Peak kW	\$ 6.52 per kW
Off Peak kW	\$ 1.00 per kW
Winter	
On Peak kW	\$ 5.33 per kW
Off Peak kW	\$ 1.00 per kW
(c) Energy Charge	
All kWh	3.485¢ per kWh

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NET MONTHLY BILL (Contd.)

2. Fuel Adjustment Cost

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.

3. DSM Charge

All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential transmission service.

The minimum charge shall be not less than fifty percent (50%) of the highest demand charge established during the preceding eleven (11) months.

For purposes of administration of the above charges, the summer is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

a) On Peak Period

Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.

Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.

b) Off Peak Period - all hours Monday through Friday not included above plus all day Saturday and Sunday as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at secondary voltage, the kilowatt-hours registered on the Company's meter will be increased one and one-half percent (1.5%) for billing purposes.

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

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POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter by either the customer or the Company as follows:

- (1) Thirty (30) days after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of less than 10,000 kW.
- (2) Twelve (12) months after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of greater than 10,000 kW.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission voltage, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Kentucky Attorney General's Initial Request for Information

Case No. 2004-00253

Date Received: July 27, 2004

Response Due Date: August 6, 2004

KyAG-DR-01-017

REQUEST:

17. Please provide all analysis that shows that the proposed tariffs are consistent with ULH&P's cost of service.

RESPONSE:

There is no analysis to show the cost of service basis for the proposed riders because the rider simply provide modifications to existing cost of service based standard service tariff rates. (Also, see response to KyAG-DR-01-16.)

WITNESS RESPONSIBLE: Don Rottinghaus

Kentucky Attorney General's Initial Request for Information

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KyAG-DR-01-018

REQUEST:

18. For the year 2003, please provide the number of hours during the year that the ULH&P load exceeded the combined output of the East Bend and Miami Fort units that ULH&P is purchasing.

RESPONSE:

Will supplement.

WITNESS RESPONSIBLE:

Kentucky Attorney General's Initial Request for Information

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KyAG-DR-01-019

REQUEST:

19. Based on the projected load and output models used in the 2003 ULH&P IRP, for the year 2007, please provide the projected number of hours:
 - a) ULH&P load can be met with the ULH&P East Bend and Miami Fort units.
 - b) ULH&P load will exceed the output of the ULH&P East Bend and Miami Fort units, and the ULH&P Woodsdale CT units will be run.
 - c) ULH&P load will exceed the output of the ULH&P East Bend and Miami Fort units, and additional power will need to be purchased from CG&E and other sources.

RESPONSE:

Will supplement.

WITNESS RESPONSIBLE:

Kentucky Attorney General's Initial Request for Information

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KyAG-DR-01-020

REQUEST:

20. Please provide an analysis showing the impact on existing ratepayers of selling power below cost to new or expanding customers under the three proposed riders.

RESPONSE:

The reduced revenues which may result from new or expanding customers taking service under one of ULH&P's proposed riders will not have an impact on any other customer or customer class until the Company's next base rate case at which time all parties will have the opportunity to argue the merits of the riders.

WITNESS RESPONSIBLE: Don Rottinghaus

**Kentucky Attorney General's Initial Request for Information
Case No. 2004-00253**

**Date Received: July 27, 2004
Response Due Date: August 6, 2004**

KyAG-DR-01-021

REQUEST:

21. With reference to the proposed tariffs, other than the application and any attendant cover letter:
- a) Please provide any letters, e-mails, or other correspondence that ULH&P, a parent or an affiliate has sent or caused to be sent to the Public Service Commission.
 - b) Please indicate whether any lobbyist, officer, director, or employee of ULH&P, a parent, or an affiliate has engaged in any discussion with or presentation to the Public Service Commission regarding the proposed tariffs or economic development tariffs in general in the year preceding the filing of this application. If so, please provide a list of names of those participating in the discussion or presentation on behalf of the utility, the Commission, and any other party to the discussion or presentation; the dates on which the discussions/presentations took place; and, the location at which the discussions/presentations took place. Please provide copies of any written materials or documents utilized or produced in the course of scheduling, conducting, or memorializing the exchange.
 - c) Please indicate whether any lobbyist, officer, director, or employee of ULH&P, a parent, or an affiliate has engaged in any discussion with or presentation to the Public Service Commission regarding the proposed tariffs or economic development tariffs in general since the filing of this application. If so, provide a list of names of those participating in the discussion or presentation on behalf of the utility, the Commission, and any other party to the discussion or presentation; the dates on which the discussions/presentations occurred; and, the location at which the discussions/presentations took place. Please provide copies of any written materials or documents utilized or produced in the course of scheduling, conducting, or memorializing the exchange.

RESPONSE:

Will supplement.

WITNESS RESPONSIBLE: